

SOFTWARE

ACQUISITION

BY THE ONTARIO GOVERNMENT

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Publications

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# We're Buying



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**MGS**

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THE KEY TO SELLING TO GOVERNMENT IS letting prospective purchasers know you exist. You need to know who does the purchasing for various types of software, how to get in touch with the active departments, the steps in the procurement process and assistance available, so these topics will be outlined in this brochure.

## WHO PURCHASES SOFTWARE?

licensing and custom programming. Ministries need software for all types of computers, from microcomputers to large mainframe machines. All application software is the responsibility of individual ministries. Applications range from basic finance to specialized program delivery, such as maintaining vehicle registration files.

The exception to individual ministry acquisition of software is that done for central services within government. The Ministry of Government Services (MGS) is the only government supplier, though in general, the ministries are not obligated to use its services. Voice and data communications and computer processing are run by its Computer and Tele-communication Services (CTS) division.

Telephone equipment and services, which include local and network voice facilities, must be acquired by CTS on behalf of each ministry. All other acquisitions, including data communications, may be acquired by individual ministries unless they ask CTS to perform this service.

Computer processing services run by CTS are optional for the ministries. Currently, two IBM-compatible mainframe sites offer shared processing on a cost-recovery basis. Private computers or machine

In Ontario, most ministries do their own software procurement. Each ministry of sufficient size has its own technical staff to coordinate software acquisition,

partitions may also be requested under facilities management contracts. CTS supports both IBM- and DEC-compatible processing. For these environments, CTS licenses and maintains software in the categories of operating systems, compilers, databases, programming tools and electronic mail.

Note that for user-driven software needs such as debugging tools, CTS will acquire the software for its own computers only if enough customers are committed to ensure cost-recovery. This makes it worthwhile for a vendor to initiate interest among the customer ministries.

## HOW DO MINISTRIES ACQUIRE SOFTWARE?

Government purchasers follow a competitive acquisition process, designed to benefit both vendors and government. The vendors receive a fair and equitable opportunity for each new procurement, and the government obtains value for money, resulting in a win/win situation.

1 *A business case* for new software is approved internally to justify an acquisition. Government staff research the functions and alternate methods available, possible suppliers and a range of costs. The government has a signing hierarchy by dollar amount, usually calculated over five years, so vendors should have those maintenance figures handy. As software vendors tend to be very specialized, the buyers locate them through industry directories, trade papers and any MGS listings.

2 *Functional requirements* are listed after consultation with the software users. For a ministry application, the users would be the staff in program delivery, who are the typical 'end-users'. For a CTS software service, the users would be customer ministries.

3 A *Request For Proposals (RFP)* for software is sent by invitation to the specialized vendors (unlike requests for commonly available supplies, which are advertised). The RFP details the requirements, which are split into 'mandatory' and 'desirable' categories, government contract conditions and the rules of bidding. MGS runs the Public Tenders Office to send and receive the documents officially. To be fair to all vendors the rules are strictly enforced, so note details such as the bidding deadline.

4 The *evaluation* of the received bids by ministry staff first compares all bids to the list of mandatory requirements and eliminates those not complying. Then bids are costed, by adding up the costs of all components and maintenance. The costs are the actual charges where available, or calculated costs of equivalent functionality. At the end of the evaluation the bids are ranked on paper.

5 An *acceptance test* is scheduled for the installed first-choice software to verify that it works in our environment and that its performance meets all claims. The testing staff are the future users, who confirm that all requirements were interpreted correctly. If the acceptance test discovers major lack of function, the team will go to the second-choice bidder.

6 *Contract negotiations* concern the final configuration of the software, legal clauses and service standards. Occasionally, negotiations will break down and the team must go to the second-choice bidder for an acceptance test. In the case of software, the contract is usually not an outright purchase, but a right-to-use or licensing agreement, permitting the use at certain computer sites under certain conditions. The agreement may also be for leasing, consulting or custom programming.

## HOW DOES A COMPANY BECOME A SUPPLIER?

MGS has created a central automated registry, the Supplier Information Service, to give suppliers a one-window access to the Ontario government marketplace. By registering with the SIS, your company will be added to the official source list for the provincial government. Personal contact and regular marketing efforts with individual ministries are still essential.

## SUPPLIER INFORMATION SERVICE (SIS)

SIS is an inter-ministry service created to support the province's goal of ensuring fair and equitable opportunity for suppliers who wish to bid for *any* government business, not only for software. The SIS has a dual function:

- to provide the business community with a fair and structured method of access to provincial government markets
- to provide government purchasing staff with an on-line source of information regarding the goods and services provided by each registered vendor.

The method of delivering the service revolves around a user-friendly database system. The system is designed to provide immediate up-to-date information regarding all registered suppliers of goods or services procured by the Ontario provincial government. This sourcing tool will assist government buyers (purchasing staff) in identifying suppliers for the purpose of inviting bids to tender. All suppliers are ensured equal opportunity to be invited to bid for future government business.

Currently, the service has registered some 52,000+ suppliers of over 15,000 goods and services which are categorized in a detailed listing. These commodities are catalogued in a common coding structure used by the federal government (Supply and Services Canada). Suppliers interested in pursuing the provincial government markets are advised to register with the service by providing specific information concerning the commodities (goods and services) offered by their organizations.

To register, complete the *Supplier Information Request* form obtainable from most provincial government offices. Forward the form to MGS or any of its designated offices. For further information, please contact:

Brendan Power or Lori Muldowney  
(416) 965-6937  
Supplier Information Service  
Ministry of Government Services  
6th Floor, Ferguson Block,  
Queen's Park  
77 Wellesley Street West  
Toronto, Ontario M7A 1N3

### ADVANCED TECHNOLOGY CENTRE (ATC)

MGS, CTS, Toronto at (416) 865-6812 to ask about booking the room for a half-day to present your company's wares. Any vendors whose hardware, software or communications products are of government interest are welcome.

### INFORMATION SOURCES

(416) 965-3535 or write Room M1-52, Macdonald Block, Queen's Park, Toronto, M7A 1N3.

#### Publications Ontario

The following list of government publications may be helpful to vendors:

**Telephone Directory** The *Fall '89 / Winter '90* issue contains listings for all government ministries, as well as their agencies, boards and commissions. This directory is issued twice annually, contains nearly 800 pages with organizational hierarchies and employee listings and costs \$4.00.

A presentation room, complete with equipment and government-wide publicity, is available at the Advanced Technology Centre for a reasonable fee. Call

#### Citizens' Inquiry Bureau

This office provides information and referral on all government programs and services. Call

**KWIC Index to Services** is a companion publication to this telephone directory. It is a handy indexed reference to the offices which provide the services of Government ministries and agencies and costs \$4.35.

**Ontario's Public Sector Market** by the Ministry of Industry, Trade and Technology is published annually. The 1989-90 issue includes pointers on selling to government, as well as detailed listings of government purchasers. It outlines the steps in evaluating bids and letting contracts, and looks at other issues, including Ontario's Canadian preference policy, which may give up to a 10% advantage to Canadian value added in purchases of goods and services. It is listed at \$7.56.

**The Ontario Software Industry** by the Ministry of Industry, Trade and Technology is a recent study of industry trends, major lines of business, exporting, funding and research and development, and costs \$5.00.

**How to Export** by the Ministry of Industry, Trade and Technology costs \$2.00. The 1988 issue is sold out, so watch for next year's volume.

**Selling to Government: A Guide to Government Procurement in Canada** by Supply & Services Canada describes the acquisition processes and lists contacts both federally and provincially. The 1989 issue costs \$15.00.

These and all other government publications are available at the following outlets in Ontario:

Shop in person, by phone or by mail at the Government of Ontario Bookstore, 880 Bay Street, Toronto M7A 1N8. In Toronto, call (416) 326-5300; in Ontario, call 1-800-668-9938

In Ottawa, Access Ontario at the Rideau Centre Mall is open evenings and Saturdays. In Windsor, visit the Windsor Public Library Bookstore.



Le point et l'équipe devra se pencher sur le développement et l'exploitation d'une offre de services destinée à l'ensemble des entreprises et des particuliers. L'objectif sera de proposer des services personnalisés et personnalisés, adaptés à la demande spécifique de chaque client. Les services proposés seront basés sur une analyse approfondie des besoins et des préférences de l'entreprise, et sur une étude de marché pour déterminer les meilleures stratégies de vente et de distribution. Les services proposés seront alors mis en place, et l'entreprise devra assurer leur suivi et leur évolution au fil du temps.

- offrir au monde des affaires un accès acceptable au marché inter-ministériel, et;
- fournir au personnel chargé d'effectuer les achats du gouvernement une source rapide de renseignements informations sur les biens et services que procurent chaque vendredi en ligne.

La méthode Pour offrir ce service est simple et consiste en une banque de donnee facile d'accès. Le système est fait pour procéder une information rapide et à jour sur tous les fournisseurs de biens et services énergétiques qui font des affaires avec le gouvernement de l'Ontario. Cet outil de référence permet d'aider les responsables des achats à identifier rapidement des fournisseurs susceptibles de participer à une invitation à soumettre des offres. Tous les fournisseurs sont assurés d'une opportunité égale à participer à tous les appels d'offres du gouvernement.

5 Une épreuve d'acceptation est organisée pour le fournisseur dont le logiciel a remporté l'appel, pour vérifier qu'il fonctionne sur notre ordinateur et qu'il répond bien à toutes les performances qu'on attend de lui. Les personnes qui expérimentent le logiciel sont les futurs utilisateurs, pour confirmer que toutes les conditions ont bien été remplies. Si l'équipe qui expérimente le logiciel sur la liste. de nombreux problèmes peuvent être rencontrés, pour découvrir des mesures qui résoudront les difficultés.

6 La négociation du contrat concerne la configuration finale du logiciel, les clauses légales et l'entretien normal. Quelques négociations se font.

tant total à dépenser, échelonné sur une période utile de cinq ans; les fournisseurs devraient donc inclure les coûts réguliers de distribution à l'entretien et à la mise à jour de la version, avec leur offre. Comme les fournisseurs de logiciels tendent à se spécialiser, les acheteurs trouvent leurs besoins en logiciels principalement dans les entreprises de l'industrie, les magazines spécialisés et dans l'une ou l'autre des entreprises de fournisseurs du ministère des services gouvernementaux.

**2 Les conditions à remplir sont établies**

Après consultation avec les utilisateurs du logiciel, pour le cas d'un ministère,

l'utilisatuer est le personnel qui donne les services aux clients, soit l'utilisatuer régulière des services d'information. Pour la Division des services d'information et de télécommunication, l'utilisatuer-type

comprend tout un ministère.

gouvernement doit rechercher les fonctions détenues et les méthodes alternatives pour y répondre, de même qu'une liste possible de fournisseurs et une liste de prix. L'administration doit également déterminer les dépenses selon le montant.

1. Chez toute une classe est une obbligatoire pour acquérir un nouveau logiciel; cela permet de justifier l'achat et d'obtenir l'approbation interne des dépenses. Le personnel du

Des exceptions à cette règle concernent l'achat pour un service commun et central à tout le gouvernement. Le ministère des Services gouvernementaux (MSG-MGS) est le seul acheteur de services communs, bien qu'en général, les ministères ne sont pas obligés d'utiliser ces services. Les services de communication analogiques et numériques sont fait par la Division ST-CTS au nom de niques, qui comprend les centraux locaux et inter-régionaux, doivent être achetés par la Division ST-CTS au nom de chaque ministère. Tous les autres achats, incluant les transmissions de données et les acquisitions de données, doivent être effectuées à moins qu'il ne demande à ST-CTS d'agir comme mandataire.

LES SOURCES DE RENSEIGNEMENTS  
LE CENTRE DES TECHNOLOGIES DE POINTE  
LE SERVICE DE RENSEIGNEMENTS SUR LES FOURNISSEURS (SRF-SIS)  
COMMENT UNE ENTREPRISE PEUT-ELLE DEVENIR FOURNISSEUR?  
COMMENT LES MINISTÈRES ACHÈVENT DES LOGICIELS?  
OÙ ACHETER DES LOGICIELS?

# Acheter nous

GOUVERNEMENT DE L'ONTARIO

DE LOGICIELS  
L'ACQUISITION